

## Message Text

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PAGE 01 GENEVA 03285 01 OF 02 021341Z

ACTION EB-08

INFO OCT-01 ISO-00 L-03 FRB-01 OMB-01 ITC-01 SP-02  
USIA-15 AGRE-00 AID-05 CIAE-00 COME-00 INR-10  
IO-14 LAB-04 NSAE-00 OIC-02 SIL-01 STR-07 TRSE-00  
CEA-01 SS-15 AF-10 ARA-14 EA-12 EUR-12 NEA-10  
/149 W

-----088405 021417Z /42

R 021259Z MAR 78

FM USMISSION GENEVA

TO SECSTATE WASHDC 6665

INFO ALL OECD CAPITALS

AMEMBASSY BANGKOK

AMEMBASSY COLOMBO

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MOSCOW

USLO PEKING

AMEMBASSY SINGAPORE

USMISSION USUN NEW YORK

UNCLAS SECTION 01 OF 02 GENEVA 03285

E.O. 11652: N/A

TAGS: ETRD, EPAP, XX

SUBJECT: UNCTAD THIRD PREPARATORY MEETING ON NATURAL  
RUBBER (NR)

REFERENCE: 1) STATE 44156, 2) GENEVA 3286

FOLLOWING IS TEXT OF AGREED DECISIONS AND CONCLUSIONS OF  
SUBJECT MEETING:

QUOTE: THE THIRD PREPARATORY MEETING ON RUBBER ENDORSED  
THE RECOMMENDATIONS OF THE INTERGOVERNMENTAL TASK FORCE  
MEETING MADE IN DECEMBER 1977. THE PREPARATORY MEETING  
AGREED THAT THE FOLLOWING ELEMENTS BE CONSIDERED AS THE  
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PAGE 02 GENEVA 03285 01 OF 02 021341Z

BASIS FOR NEGOTIATION:

(A) AN INTERNATIONAL BUFFER STOCKING SYSTEM AS THE  
CENTRAL ELEMENT OF A PRICE STABILIZATION AGREEMENT,  
WHICH COULD TAKE THE FORM OF AN INTERNATIONAL BUFFER  
STOCK AS THE INSTRUMENT OF PRICE STABILIZATION; OR AN  
INTERNATIONAL BUFFER STOCK SUPPORTED BY SUPPLY RATION-

ALIZATION MEASURES AS A CONTINGENCY MECHANISM, AS AND WHEN NECESSARY.

(B) THE INTERNATIONAL BUFFER STOCK LARGE ENOUGH TO ENSURE ITS EFFECTIVENESS AS THE CENTRAL ELEMENT OF A PRICE STABILIZATION AGREEMENT.

(C) PRICING PROVISION CAST SO AS TO PROMOTE THE LONG-TERM EQUILIBRIUM BETWEEN DEMAND AND SUPPLY WITHIN AN EXPANDING NATURAL RUBBER WORLD TRADE. THESE PROVISIONS COULD TAKE THE FORM OF A PRICE STABILIZATION RANGE INCLUDING TRIGGER POINTS FOR BUFFER STOCK ACQUISITION AND DISPOSAL WHICH WOULD BE REMUNERATIVE TO PRODUCERS, FAIR TO CONSUMERS, ENSURE ADEQUATE SUPPLIES, AND WIDE ENOUGH TO SERVE THE PURPOSES OF THE AGREEMENT. SUCH PRICE RANGES SHOULD BE PERIODICALLY REVIEWED AND, IF NECESSARY, REVISED.

(D) A BALANCE BETWEEN PRODUCERS AND CONSUMERS OF RIGHTS, OBLIGATIONS AND BENEFITS, IN ANY POSSIBLE INTERNATIONAL STABILIZATION AGREEMENT ON NATURAL RUBBER.

THE PREPARATORY MEETING ALSO AGREED THAT A MEASURE OF PRICE STABILIZATION IS IN THE INTERESTS OF BOTH PRODUCERS AND CONSUMERS. IT FURTHER AGREED THAT APPROPRIATE OTHER MEASURES, AS ENVISAGED IN CONFERENCE RESOLUTION 93(IV) ON THE INTEGRATED PROGRAMME FOR CDMMODITIES, IF AGREED TO BY UNCLASSIFIED

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PAGE 03 GENEVA 03285 01 OF 02 021341Z

PRODUCERS AND CONSUMERS, COULD CONTRIBUTE TO STABILIZATION OBJECTIVES.

WITH THIS ENDORSEMENT OF THE RECOMMENDATIONS OF THE INTER-GOVERNMENTAL TASK FORCE ON RUBBER, THE THIRD PREPARATORY MEETING UNANIMOUSLY AGREED THAT A NEGOTIATING CONFERENCE ON NATURAL RUBBER SHOULD BE CONVENED. THE MEETING THEREFORE REQUESTED THE SECRETARY GENERAL OF UNCTAD TO CONVENE THE NEGOTIATING CONFERENCE IN LATE OCTOBER/NOVEMBER 1978.

THE MEETING RECOMMENDS TO THE AD HOC INTERGOVERNMENTAL COMMITTEE ON THE INTEGRATED PROGRAMME FOR COMMODITIES TO ORGANIZE THE FOLLOWING:

(I) A CONSUMER MEETING IN TIME TO ENABLE THE CONSUMERS TO PRODUCE A COORDINATED DRAFT/DRAFTS BY 15 JULY 1978

(II) A CONSUMER/PRODUCER MEETING AND WORKSHOP IN KUALA LUMPUR IN MAY 1978. THE MEETING WILL BE PRECEDED BY FIELD VISITS. THIS MEETING IS TO ENABLE EXCHANGE OF VIEWS ON THE ELEMENTS OF AN AGREEMENT.

(III) A DRAFTING GROUP TO BE CONVENED IN SEPTEMBER TO COMBINE AND PRODUCE A SINGLE WORKING DRAFT FOR THE NEGOTIATING CONFERENCE.

THE MEETING NOTED WITH APPRECIATION THAT THE PRODUCERS WILL CIRCULATE THROUGH THE UNCTAD SECRETARIAT A PRODUCER DRAFT AGREEMENT IN APRIL 1978 AND THAT THE CONSUMERS WILL CIRCULATE CONSUMER DRAFT/DRAFTS THROUGH THE UNCTAD SECRETARIAT BY 15 JULY 1978. THE PRODUCER COUNTRIES WILL SEEK THE ASSISTANCE OF THE UNCTAD SECRETARIAT WHERE IT IS NECESSARY IN THE PREPARATION OF THE PRODUCER DRAFT AGREEMENT.

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PAGE 01 GENEVA 03285 02 OF 02 021335Z  
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UNCLAS SECTION 02 OF 02 GENEVA 03285

THE PRODUCING COUNTRIES APPRECIATED THE OBJECTIVE AND ENCOURAGING POSTURE ASSUMED BY THE CONSUMING COUNTRIES. IN EXPRESSING THIS SENTIMENT, THEY HOPED THAT THE SAME ATTITUDE WILL PREVAIL THROUGHOUT THE REMAINING PRE-NEGOTIATING AND NEGOTIATING PHASES SO THAT A SENSIBLE AND EFFECTIVE NATURAL RUBBER PRICE STABILIZATION AGREEMENT WILL EMERGE WHICH WILL SATISFY THE LEGITIMATE ASPIRATIONS OF PRODUCERS AND REALISTIC REQUIREMENTS OF CONSUMERS. UNQUOTE.

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## Message Attributes

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Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014